

Table T04-0070
H.R. 4227, Extension of Alternative Minimum Tax Relief:
Distribution of Tax Change by Cash Income Class, 2005¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³			Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total	Percent with Tax Cut				Current Law	Proposal
Less than 10	20,301	14.0	*	*	*	**	3.4	3.4
10-20	26,357	18.1	*	*	*	**	5.5	5.5
20-30	20,537	14.1	*	*	*	**	11.2	11.2
30-40	15,633	10.8	0.4	*	0.2	-2	15.4	15.3
40-50	11,543	7.9	1.0	*	0.4	-6	17.5	17.4
50-75	20,112	13.8	3.7	0.1	3.3	-28	19.5	19.4
75-100	11,773	8.1	17.0	0.2	10.1	-149	21.2	21.1
100-200	14,039	9.7	39.3	0.5	43.7	-545	23.5	23.2
200-500	3,588	2.5	74.4	0.9	41.1	-2,003	26.4	25.8
500-1,000	593	0.4	12.7	0.1	1.0	-301	27.8	27.7
More than 1,000	284	0.2	6.5	*	0.2	-152	31.2	31.2
All	145,321	100.0	7.7	0.3	100.0	-120	21.3	21.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Calendar year. Baseline is current law. Provisions include: increase AMT exemption to \$58,000 for married couples filing a joint return (\$29,000 for married individuals filing a separate return) and \$40,250 for others, indexed for inflation after 2004.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.